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**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk and Executive Director  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

**RE: Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Approval of CPRE Queue Number Proposal, Limited Waiver of Generator Interconnection Procedures, and Request for Expedited Review  
Docket No. 2018-202-E**

**South Carolina Energy Freedom Act (House Bill 3659) Proceeding to Address S.C. Code Ann. Section 58-27-460(A)(1) and S.C. Code Ann. Section 58-27-460(A)(2) (Promulgation and Periodic Review of Standards for Interconnection and Parallel Operation of Generating Facilities to an Electrical Utility's Distribution and Transmission System  
Docket No. 2019-326-E**

**Notice of CPRE Tranche 3 RFP and Resource Solicitation Cluster under South Carolina Generator Interconnection Procedures**

Dear Ms. Boyd:

Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP," and together with DEC, the "Companies") hereby make this informational filing with the Public Service Commission of South Carolina ("Commission") to provide notice to the Commission of the upcoming Tranche 3 request for proposal ("RFP") solicitation under the North Carolina Competitive Procurement of Renewable Energy ("CPRE") Program and to advise the Commission regarding the Companies' plan to utilize a "Resource Solicitation Cluster" as authorized under Section 5.3.2 of Appendix Duke CS to the South Carolina Generator Interconnection Procedures ("SC GIP"). As explained further below, similar to CPRE Tranches 1 and 2, the upcoming solicitation is open to projects located in both DEC's North Carolina and South Carolina territories.

## **Background**

As explained in Order No. 2018-803(A)<sup>1</sup>, the CPRE Program was established by North Carolina House Bill 589 (NC Session Law 2017-192) in 2017 and is administered by the North Carolina Utilities Commission (“NCUC”) under N.C. Gen. Stat. § 62-110.8(a) and North Carolina regulation 4 NCAC 11.R8-71. The CPRE Program statute directs the Companies to competitively procure targeted amounts of new renewable energy resources that are subject to economic dispatch or curtailment within the DEC and DEP balancing authority areas across both North Carolina and South Carolina.<sup>2</sup>

At the Companies’ request, the Commission has previously granted waivers of the SC GIP to provide developers of utility-scale solar generating facilities being developed in South Carolina (“SC Solar Generators”) an equal opportunity to participate in the Companies’ CPRE Program RFP process. Specifically, Order No. 2018-803(A) granted requested waivers to allow the Companies to depart from the serial interconnection study process and to administer a CPRE grouping study for the initial CPRE Tranche 1 RFP. Order No. 2019-817 subsequently extended the requested SC GIP waivers for CPRE Tranche 2.

Through CPRE Tranches 1 and 2, DEC and DEP have successfully procured 1,185 MW of cost-effective new renewable energy resources including projects in both the Companies’ North Carolina and South Carolina territories. The Companies are now issuing a final CPRE Tranche 3 RFP to procure the remaining amount of MW necessary to meet the CPRE Program target amount. As further explained below, the Companies do not require additional waivers of the SC GIP as the new queue reform revisions to the SC GIP, as approved in Order No. 2021-439<sup>3</sup>, establish the same Resource Solicitation Cluster process in South Carolina that the Companies are planning to use in North Carolina. Accordingly, the Companies are filing this letter to provide notice to the Commission on the planned issuance of CPRE Tranche 3 for informational purposes only.

## **Planned CPRE Tranche 3 Solar Procurement**

On September 1, 2021, the Companies filed their 2021 CPRE Program Plans with the NCUC<sup>4</sup> identifying the need for a Tranche 3 procurement and explaining that implementation of queue reform introduces an additional layer of complexity regarding the timing of implementing CPRE Tranche 3. This additional complexity is due to the need to

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<sup>1</sup> Order No. 2018-803(A), *Amended Order Approving Tranche 1 and Granting Requested Waivers with Conditions*, Docket No. 2018-202-E (Dec. 19, 2018)

<sup>2</sup> Order No. 2018-803(A) provides a more detailed overview of the CPRE Program.

<sup>3</sup> *Order Approving Modifications to South Carolina Generator Interconnection Procedures to Implement Queue Reform and Appendix Duke CS*, Order No. 2021-439, Docket No. 2019-326-E (June 18, 2021).

<sup>4</sup> Duke Energy Progress 2021 Update to 2020 Short-Term Action Plan, NC REPS, and CPRE Plan, at 52, NCUC Docket No. E-100, Sub 165 (filed Sept. 1, 2021); Duke Energy Carolinas 2021 Update to 2020 Short-Term Action Plan, NC REPS, and CPRE Plan, at 52, NCUC Docket No. E-100, Sub 165 (filed Sept 1, 2021).

integrate a competitive procurement solicitation into future planned cluster studies, which have established timelines under the SC GIP, the North Carolina Interconnection Procedures (“NCIP”), and Federal Energy Regulatory Commission Large Generator Interconnection Procedures.

Following submission of the Companies’ 2021 CPRE Program Plans with the NCUC, DEC and DEP began to work collaboratively with the CPRE Program Independent Administrator Accion Group, LLC (“IA”) and to engage with the Public Staff—North Carolina Utilities Commission (“Public Staff”), and market participant stakeholders to determine feasible paths that would allow the Companies to meet their remaining procurement obligations under the CPRE Program while also ensuring that the Companies can successfully achieve queue reform and transition to annual Cluster Studies in 2022. The IA and the Companies held pre-solicitation stakeholder meetings on September 17, September 24, October 14, and November 4, 2021 to discuss these complex issues with market participants and reach consensus on a timeline and interconnection study process for CPRE Tranche 3.

In response to stakeholder feedback from Carolinas Clean Energy Business Association (“CCEBA”) and other market participants, the Companies developed a targeted DEC-only Resource Solicitation Cluster process to implement the CPRE Tranche 3 interconnection study evaluation.<sup>5</sup> Through the stakeholder engagement process, the Companies explained that a DEC-only Resource Solicitation Cluster was executable from a DEC study perspective in a manner that mitigates potential risks of delay and uncertainty for the Transitional Cluster as well as the Definitive Interconnection System Impact Study (“DISIS”) Cluster 1 to commence in July 2022.

As recently announced to stakeholders and market participants, the Companies plan to issue a DEC-only RFP for Tranche 3 on January 5, 2022 to procure 596 MW of cost-effective new renewable energy resources.<sup>6</sup> Similar to CPRE Tranches 1 and 2, the solicitation is open to projects in both DEC’s North Carolina and South Carolina territories, and SC Solar Generators are again allowed to participate in the final CPRE Tranche 3 RFP.

### **Planned Resource Solicitation Cluster to Administer CPRE Tranche 3**

In administering CPRE Tranche 3, DEC plans to utilize the Resource Solicitation Cluster process, as approved by the NCUC in NCIP Section 4.4.2 and as approved by this Commission in SC GIP Appendix Duke CS Section 5.3.2. Because the SC GIP approved in Order No. 2021-439 now provides for a Resource Solicitation Cluster process in Appendix Duke CS to be administered by the Companies—consistent with the Resource Solicitation Cluster process approved in North Carolina—the Companies do not need to

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<sup>5</sup> The CPRE Tranche 3 RFP will be limited to proposals in DEC only. The Companies are not seeking to procure new solar resources in DEP under Tranche 3 of the CPRE Program.

<sup>6</sup> The Companies recently submitted a petition to the NCUC to confirm the final CPRE Program Procurement amount. *See Petition of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC for Determination of Final CPRE Program Procurement Amount*, NCUC Dockets Nos. E-2, Sub 1159 and E-7, Sub 1156 (filed Dec. 3, 2021).

request additional waivers to the SC GIP to implement CPRE Tranche 3. Moreover, due to the Companies' queue reform transition to the Commission-approved Cluster Study process, all interconnection customers in the same Cluster are equally queued and studied together. Accordingly, the Commission's concerns expressed in Order No. 2018-803(A) under the pre-existing serial study process about other non-CPRE South Carolina interconnection customers being disadvantaged by the Companies' processing of CPRE projects is not applicable to Tranche 3. Pursuant to SC GIP Section 1.6, all Interconnection Customers studied in a Cluster are considered equally queued and costs are allocated amongst projects based upon the standardized allocation methodology approved by the Commission in Appendix Duke CS Section 5.3.3. and 5.3.4.

Kind regards,



Sam Wellborn

cc: Parties of Record (via email)